

CABINET

Date of Meeting	Tuesday 14 th March, 2023
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 10)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position in 2022/23 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure as at Month 10.

This report projects how the budget would stand at the close of the financial year, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating surplus of (£0.693m) (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of (£0.810m) from the deficit figure reported at Month 9.
- A projected contingency reserve available balance as at 31 March 2023 of £7.024m.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £3.101m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.373m

Hardship Funding from Welsh Government helped secure over £16m of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
2	To approve the carry forward requests included in paragraph 1.11
3	To approve a transfer of £0.200m from the contingency reserve to replenish the Winter Maintenance Reserve as set out in paragraph 1.21

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2022/23
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none">• An operating surplus of (£0.693m) (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of (£0.810m) from the figure reported at Month 9.• A projected contingency reserve available balance as at 31 March 2023 of £7.024m. <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p>
1.02	<p>Hardship Funding from Welsh Government helped secure over £16m of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.</p>

1.03

Table 1. Projected Position by Portfolio

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	79.985	80.397	0.412
Out of County Placements	15.101	16.067	0.966
Education & Youth	10.299	9.888	(0.410)
Schools	108.401	108.401	0.000
Streetscene & Transportation	39.931	41.060	1.129
Planning Env & Economy	7.238	6.730	(0.508)
People & Resources	4.670	4.562	(0.107)
Governance	11.281	10.727	(0.555)
Strategic Programmes	6.116	6.177	0.061
Assets	1.034	0.963	(0.071)
Housing & Communities	14.964	14.963	(0.002)
Chief Executive	1.692	1.584	(0.107)
Central & Corporate Finance	25.971	24.471	(1.500)
Total	326.682	325.989	(0.693)

1.04

The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

Significant Movements from Month 9

1.05

Social Services (£0.277m)

The net favourable movement relates to:

Children's Services (£0.234m):

- Grants (£0.063m) – Projected advocacy costs less than previously anticipated
- Family Support (£0.034m) - Due to reduced levels of expected service activity.
- Legal and Third Party (£0.123m) - Legal costs for a specific case now funded from a Contingency Reserve contribution.
- Residential Placements (£0.113m) – Additional Welsh Government grant of £0.085m to support radical reform of the care of looked after children and additional RIF funding to fund costs of £0.030m.

	<ul style="list-style-type: none"> Professional Support £0.109m - This includes additional costs for a team of contract agency workers to maintain the service whilst vacancies for experienced social worker posts remain high. Minor Variances (£0.010m) <p>Further minor variances across the Portfolio account for the remainder of the movement totalling (£0.043m).</p>
1.06	<p>Education & Youth £0.110m</p> <p>The movement relates to:</p> <ul style="list-style-type: none"> Inclusion & Progression - A request for Carry Forward of a previously reported underspend of £0.114m (paragraph 1.11 refers). School Improvement Systems (£0.029m) - Movement in Early Entitlement due to utilising Early Years Pupil Development Grant against established staff. Also, the Non-Maintained Settings payments for January were lower than anticipated. Small movement in School Improvement due to additional income from the Adult Community Learning Engagement Grant which is being offset against core staff. <p>Minor variances across the Portfolio account for the remainder (£0.025m).</p>
1.07	<p>Planning Environment & Economy (£0.061m)</p> <p>Minor variances across the Portfolio account for the favourable movement each less than £0.025m.</p>
1.08	<p>Governance £0.108m</p> <p>The movement relates to a request for Carry Forward of underspend £0.200m in Customer Services para 1.11 refers. The movement is mitigated by vacancy savings, higher than expected Registrars Fee Income and commitment challenge across the Service (£0.040m)</p> <p>Minor variances across the Portfolio account for the remainder (£0.052m).</p>
1.09	<p>Central & Corporate (£0.640m)</p> <p>As reported previously, the Council has not taken out any new short or long-term borrowing during the year resulting in the Council generating increased income from investments (which have increased in line with bank interest rates). This has continued for the remaining months of the financial year.</p> <p>A combination of this and the reduced borrowing interest costs has had the effect of a further favourable movement of £0.650m on the Central Loans and Investment Account. This is expected to be a temporary benefit as the Council is likely to revert to a borrowing requirement during 2023/24.</p> <p>Minor variances account for the remainder £0.010m.</p>
1.10	<p>There are a number of minor variances across the other Portfolios each below £0.035m that account for the remainder of the overall movement (£0.050m).</p>

1.11	<p>Carry Forward Requests</p> <p><u>Education & Youth – Inclusion & Progression</u></p> <p>The carry forward of a service underspend of £0.280m is requested to support the education of pupils who are not attending school either due to medical difficulties, including mental health and anxiety, permanent exclusion and the lack of available specialist provision.</p> <p>The current year costs have been covered by grant funding which will not be available in the coming year and this carry forward request would help to mitigate a large part of the projected pressure.</p> <p><u>Governance – Customer Services</u></p> <p>The carry forward of a £0.200m service underspend is requested to supplement Digital Strategy Board funding.</p> <p>The underspend has arisen due to salary savings across the service as a number of projects have been unable to be progressed/completed due to limited or no resource/capacity.</p> <p>The funding will provide additional resource for two x 2 year fixed contracts to retain the current digital higher-level trainees. Recruitment and retention of staff issues mean that securing the existing staff would ensure continuity of service operations.</p>
1.12	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.13	<p>Council Tax Income</p> <p>‘In-year’ Council Tax collection levels, up to January 2023, are 93.4% compared to 93.7% in the previous year. Collections remain challenging as the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time. Current collections for 2022/23 are still 0.3% ahead of 2020/21 collections during the height of the pandemic.</p>
1.14	<p>Pay Award (Teacher and Non-Teacher)</p> <p>The offer from the National employers for NJC employees of £1,925 on all spinal column points has now been accepted with back pay made to employees in November. This equated to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> <p>The Minister for Education has confirmed the pay award for teachers at 5%.</p>

	<p>The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – the increase above this level requires the Council to utilise reserves to fund the difference in the current financial year.</p> <p>The impact on 2022/23 is as follows: The in-year additional cost of the 2022/23 pay awards that have been met from reserves is £3.955m after taking into account the reversal of the additional 1.25% rate of National Insurance (NI) from November.</p>
1.15	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.16	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>The Council met to approve a balanced budget for 2023/24 on 23 February 2023.</p> <p>The budget report included an updated medium-term position for 2024/25 and 2025/26 and work on this will continue over the coming months.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.17	<p>Out of County Placements</p> <p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs.</p> <p>There is a projected net overspend of £0.966m for the current cohort of placements. However, this is likely to increase if demand for new placements remains at the current levels. There have been 62 new placements in the year to date with costs totaling £3.3m within the total projected spend for the year of £16.1m, which amounts to over 20%.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.18	<p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.732m below budget, although this will be monitored closely throughout the year due to the potential for growth.</p> <p>There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. There is a significant pressure on recovery of overpayments which is a combination of a shortfall of recovery against the level of income target budget which is partly</p>

	<p>influenced by lower number of overpayments occurring, and also the need to increase the bad debt provision on historic debt.</p> <p>The increased staffing levels are still required, and those costs are now being met in full from the additional funding of £0.300m previously approved to provide the service with the additional flexibility needed to adapt to and meet the sustained increase in customer demand.</p>
1.19	<p>Homelessness</p> <p>The risk is a consequence of the cessation of funding support from the Welsh Government COVID-19 Hardship Fund at the end of 2021/22.</p> <p>Although, there is continued support via the new Homelessness – No One Left Out grant, with a further allocation of £0.256m being confirmed recently, this still falls well below the amount of support the Council received via the Hardship Fund in 2020/21 and 2021/22.</p> <p>Although it has been possible to contain some of the expected pressure through prepaid accommodation to the end of September 2022, which has been funded by the COVID-19 Hardship Fund, the expected continued high demand for temporary accommodation including short term Bed & Breakfast provision will continue to present significant challenges. There is a recent trend of increased numbers of households in Bed & Breakfast accommodation with numbers increasing progressively month on month from 29 in October to 61 in January, so more than doubling over a period of three months. This is due to a combination of more new placements and fewer households moving on. At this rate of net growth there remains a clear risk of overspend despite additional in-year funding having been provided by Welsh Government.</p> <p>The service continues to strategically use increased allocations of Housing Support Grant working with external partners, but there remains a risk that the costs of statutory provision of support for Homelessness may exceed existing funding provision from base budget and available grant funding.</p> <p>The service demand currently impacting on 2022/23 outturn will continue into 2023/24 and a pressure of £1.000m has been included in the 2023/24 budget to reflect this.</p>
1.20	<p>School Transport</p> <p>Since the start of the Autumn school term from September 2022, there have been a number of transport pressures emerging relating to increased costs in the provision of additional key service routes for Additional Learning Needs (ALN) and Pupil Referral Units (PRU) from re-procurement increases and additional statutory provision that is necessary, as well as increased transport contractor costs due to fuel, insurance, driver costs etc. These increased costs currently impacting on 2022/23 outturn will continue into 2023/24 and a pressure has been included in the 2023/24 budget to reflect this.</p>

1.21	<p>Winter Maintenance</p> <p>Due to the amount of more severe winter weather encountered in January, in addition to the prolonged period of icy weather through December, spend is anticipated to exceed the £0.846m annual budget. Therefore, there is now likely to be a requirement of at least £0.200m from the Winter Maintenance Reserve in 2022/23 which will reduce the balance to £0.050m. It is recommended that consideration be given to replenishing the Winter Maintenance Reserve up to £0.250m from Contingency Reserve to mitigate the risk of increasing costs from more severe winters into the future.</p>
1.22	<p>Waste Recycling Infraction Charge</p> <p>Due to the Council not meeting the statutory minimum target for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010 (64%) in 2021/22, Welsh Government can now take steps to impose a penalty on the Council by way of an infraction fine. This has been confirmed as a penalty of up to £0.663m so is a very significant financial risk to the Council. Discussions are set to take place in early March between WG and the Council as to the reason for not achieving the target and whether the penalty will be levied.</p>
1.23	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2022/23 budget contains £1.341m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2022/23 as reflected in the MTFS KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that all efficiencies will be achieved in 2022/23 and further details can be seen in Appendix 3.</p>
1.24	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2022/23 was £7.098m as detailed in the 2021/22 outturn report (subject to Audit). In addition, the Council has set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve being a total of £5.316m as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Some claims for March 2022 were disallowed by WG and Internal claims for Quarter 1 and 2 have been made in 2022/23 relating to additional costs in Schools, Streetscene & Transportation and for income losses within AURA and Holywell Leisure Centre. These currently total £1.684m and the balance on the COVID-19 Emergency Reserve is currently £3.632m.</p> <p>The earmarked reserve of £2.432m from the additional Revenue Support allocation received at the end of the 2021/22 financial year has been transferred to the Contingency Reserve to enhance the level remaining as reported at Month 9, together with the approved Contingency Reserve request of £0.250m for additional legal costs in Children's Services.</p>

	<p>After taking into account all of the above there is a projected contingency reserve available balance as at 31 March 2023 of £7.024m.</p> <p>Following the approval of the Local Development plan (LDP), a further amount of £0.127m can be released to the Contingency Reserve from the Local Development Plan (LDP) Earmarked Reserve after allowing for remaining commitments from the reserve to enable LDP adoption. This would increase the projected contingency reserve available balance as at 31 March 2023 to £7.151m.</p>
1.25	<p>Housing Revenue Account</p> <p>The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed an un-earmarked closing balance at the end of 2021/22 of £3.616m and a closing balance of earmarked reserves of £1.622m.</p>
1.26	The 2022/23 budget for the HRA is £37.755m which includes a movement of £2.858m to reserves.
1.27	The monitoring for the HRA is projecting in year expenditure to be £3.101m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.373m, which at 9% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.
1.28	<p>The monthly movement of (£0.107m) from Month 9 is as follows:</p> <ul style="list-style-type: none"> • Income (£0.067m) – Revised Bad Debt Provision • Management & Support Services (£0.020m) – reduction in Insurance costs <p>Minor movements account for the remainder (£0.019m)</p>
1.29	The budget contribution towards capital expenditure (CERA) is £10.898m with the actual contribution projected to be £13.755m at outturn.

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 9 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council's revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p>

Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.

Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

MONTH 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.037	Domiciliary care costs have increased by £0.023m due to increased activity. Maternity cover has been built in on workforce budget resulting in a £0.015m increase. Net minor variance result in a decrease of £0.001m.
Adults of Working Age		
Resources & Regulated Services	0.065	Increased service demands have resulted in increased costs this month.
Transition & Disability Services Team	-0.050	Some Regional Integration Fund (RIF) grant has been allocated which is being used to fund a post previously funded from base budget.
Supporting People	-0.047	Additional allocation from Supporting People funding above the expected amount.
Residential Placements	-0.026	Decrease in service costs as a result of changes to care demand.
Minor Variances	-0.010	
Children's Services		
Grants	-0.063	An in-year reduction to expected advocacy costs has resulted in reduced expenditure
Family Support	-0.034	Due to reduced levels of expected service activity
Legal & Third Party	-0.123	Agreement for some legal costs for a specific case to be funded from a Contingency Reserve contribution.
Residential Placements	-0.113	There has been an additional grant from Welsh Government, £0.085m in value, to support radical reform of the care of looked after children. In addition some RIF funding has been made available to fund costs of £0.030m.
Professional Support	0.109	This includes costs for a team of contract agency workers required to prevent deterioration of the service whilst vacancies for experienced social worker posts remain high.
Minor Variances	-0.010	
Safeguarding & Commissioning		
Charging Policy income	0.039	Changes to forecasted charging policy income
Safeguarding Unit	-0.029	Additional in-year grant funding from Welsh Government for Deprivation of Liberty Safeguards
Impact of Covid-19	-0.020	
Minor Variances	-0.003	
Total Social Services (excl Out of County)	-0.277	
Out of County		
Children's Services	-0.016	
Education & Youth	0.014	
Total Out of County	-0.003	
Education & Youth		
Inclusion & Progression	0.114	The Service Manager for Inclusion has put in a carry forward request due to a significant potential cost pressure that has been identified as a portfolio risk. The carry forward of underspend is required to support the education of pupils who are not attending school either due to medical difficulties, including mental health and anxiety, permanent exclusion and the lack of available specialist provision. There is currently an in year pressure which has been covered by grant funding, however, the range of grants available to support this will not be available in the coming year. A range of strategies are being explored to reduce the need for this provision, however, this is unlikely to bring around significant reduction in need/cost. The carry forward of £0.280m would help to mitigate the majority of the 2023/24 pressure.
School Improvement Systems	-0.029	Movement in Early Entitlement due to utilising Early Years Pupil Development Grant against established staff. Also, the Non Maintained Settings payments for January were lower than anticipated. Small movement in School Improvement due to additional income from the Adult Community Learning Engagement Grant which is being offset against core staff.
Minor Variances	0.025	
Total Education & Youth	0.110	
Schools	0.000	
Streetscene & Transportation		
Other Minor Variances	-0.007	
Total Streetscene & Transportation	-0.007	
Planning, Environment & Economy		
Minor Variances	-0.061	Cumulative minor positive movements across the portfolio
Total Planning & Environment	-0.061	
People & Resources		
HR & OD	0.026	Minor movements across the Service each less than £0.005m
Corporate Finance	-0.056	Schools Grant Income £0.015m higher than forecast, Pay Award budget allocation for Vacant Posts together with minor movements across the Service
Total People & Resources	-0.031	
Governance		
Customer Services	0.160	The movement follows a request a carry forward of the sum £0.200m underspend to supplement the Digital Strategy Board funding. A result of salary savings across the service and a number of projects that have been unable to be progressed/completed due to limited or no resource/capacity this funding will provide the resources required to fund projects attached to the Digital Strategy. This additional funding will allow the Board to resource two 2 year fixed contracts to retain the current digital higher-level trainees. Recruitment and retention of staff issues mean that securing the existing staff would ensure continuity of service operations. This is mitigated by vacancy savings, higher than projected fee income levels and minor movements across the service (£0.040m)
Minor Variances	-0.052	Cumulative movements across the portfolio
Total Governance	0.108	
Strategic Programmes		
Minor Variances	-0.013	
Total Strategic Programmes	-0.013	
Assets		
Caretaking & Security	0.025	Reduced vacancy savings
Total Assets	0.025	
Housing and Community		
Minor Variances	-0.008	
Total Housing and Community	-0.008	
Chief Executive's	-0.012	
Central & Corporate Finance	-0.645	As reported earlier in the year, the Council had not taken out new short or long term borrowing and has invested a significant amount of funds. This pattern has continued during the remaining months of this financial year resulting in no short term borrowing costs being incurred and the Council and generating increased income from investments, which have increased in line with bank interest rates.
Soft Loan Mitigation	0.005	
Grand Total	-0.810	

Budget Monitoring Report - Month 10

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	20.690	20.152	-0.538		-0.575	The commissioned Older People domiciliary and Direct Payment budget is projecting a £0.920m underspend based on current activity. There continue to be recruitment and retention challenges within the care sector which is limiting the amount of homecare which can be commissioned. The residential care budget is projecting a £0.329m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities workforce budget is expected to overspend by £0.035m. There is an underspend on the Day Care budget of £0.031m and an overspend of the Minor Adaptations budget of £0.049m.	
Regional Integration Fund	0.000	0.151	0.151		0.151	The Step Down Regional Integration Fund (RIF) scheme, which enables quicker hospital discharges by placing people into short term care before they can return home safely, has been spent in full. At this time it seems unlikely that additional funding will be available to cover additional costs.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.269	1.265	-0.004		-0.005		
Adults of Working Age							
Resources & Regulated Services	29.316	29.776	0.461		0.396	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.171m overspend due to net costs of care packages. The in-house supported living service is £0.302m overspent and will likely increase further a recruitment challenges continue and service demand increases. This is offset by Learning Disability day services and work scheme budget being £0.006m underspent. In addition, the care package costs for independently provided care for Learning Disability Services is a £0.006m underspend.	
Children to Adult Transition Services	0.951	1.066	0.115		0.134	These are the costs of care for young adults who are transferring to Adult Social Care from Childrens Services within this financial year. Care costs are initially estimated but once services have been confirmed the actual costs may be different.	
Transition & Disability Services Team	0.903	0.845	-0.058		-0.008	The underspend is due to the use of RIF funding to pay for a post.	
Supporting People	-0.323	-0.417	-0.094		-0.047	The in-year allocation of Supporting People funding has increased above the expected amount.	
Residential Placements	1.956	2.452	0.496		0.522	The overspend is due to the current care cost of commissioned care packages to support people with mental illness.	
Minor Variances	3.576	3.498	-0.078		-0.088		
Children's Services							
Family Placement	2.862	2.725	-0.136		-0.120	Due to current spend for in-house Foster Placements and Special Guardianship Orders.	
Family Support	0.375	0.469	0.094		0.128	Costs are based upon the current activity levels over the last few months and projected forward for the rest of the year. Employee costs, mostly sessional staff, are the primary cost driver for this service.	
Legal & Third Party	0.232	0.639	0.407		0.530	Legal costs are overspent by £0.207m due to the number of cases through the courts and some use of legal professionals. Direct Payment demand and resulting costs continue to be in excess of the budget by £0.200m. Funding from Contingency Reserve has reduced this pressure at Month 10.	
Residential Placements	1.312	0.682	-0.630		-0.517	The in-year opening of in-house Childrens Residential Care settings will mean one off cost savings. There are also a number of time limited Welsh Government Grants being used to offset expenditure.	

Budget Monitoring Report - Month 10

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	6.193	6.781	0.588		0.480	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies need to be minimised and additional temporary posts are sometimes required to meet the challenges and demands of Childrens Services.	
Minor Variances	0.676	0.673	-0.003		0.053		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.831	0.890	0.059		0.073	There are additional one off costs of £0.018m for an IT system upgrade. In addition there are additional staff costs due to temporary uplift in hours and additional support assistants. These additional posts are fund using the underspend from the Business Support Services.	
Charging Policy income	-3.104	-3.185	-0.081		-0.120	Income results from the demand for chargeable services and is based upon each individuals ability to pay resulting from a financial assessment.	
Business Support Service	1.195	1.123	-0.072		-0.050	Due to decreasing staff costs from vacant posts which are unlikely to be appointed to this financial year.	
Safeguarding Unit	1.302	1.086	-0.216		-0.187	A consultation for updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there will be an in-year saving. In addition there is some Welsh Government grant funding.	
Commissioning	0.686	0.634	-0.052		-0.056	The underspend is a result of posts being vacant during part of the financial year.	
Impact of Covid-19	0.000	-0.020	-0.020	-0.020	-0.000		
Minor Variances	0.166	0.181	0.015		-0.014		
Total Social Services (excl Out of County)	79.985	80.397	0.412	-0.020	0.689		
Out of County							
Children's Services	10.097	11.423	1.325		1.342	The projected overspend reflects significant additional demands on the service in the year to date with 37 new placements having been made in the year to date - most of which are high cost residential placements - there is provision for a contingency sum of £0.100m, for net impacts of further new placements and other placement changes, but this may not prove to be enough.	
Education & Youth	5.004	4.644	-0.360		-0.373	The latest underspend reflects projected costs for the current cohort of placements and there have been 26 new placements in the year to date with further new placements also likely to emerge in the remainder of the year, for which contingency provision of £0.050m has been made.	
Total Out of County	15.101	16.067	0.966	0.000	0.969		
Education & Youth							
Inclusion & Progression	5.472	5.466	-0.005		-0.119	The £0.119m variance as reported at Month 9 has been removed on the assumption that the budget c/f request will be agreed for reasons outlined in Appendix 1.	
Integrated Youth Provision	1.042	0.974	-0.068		-0.073	The projected underspend is mainly due to staffing savings	
School Improvement Systems	1.909	1.693	-0.216		-0.187	Favourable variance relates to several Welsh Government grants that are being used against core staff within the Early Entitlement service and School Improvement.	
School Planning & Provision	0.694	0.617	-0.078		-0.069	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	1.181	1.137	-0.044		-0.071		
Total Education & Youth	10.299	9.888	-0.410	0.000	-0.520		
Schools	108.401	108.401	0.000		-0.000		
Streetscene & Transportation							

Budget Monitoring Report - Month 10

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Service Delivery	9.277	9.550	0.273		0.273	The service has a recurring pressure of £0.100m for security costs due to vandalism/break-ins at the Household Recycling Centres. Street lighting is also incurring a £0.070m pressure on the community council income budget. The remaining £0.100m is attributable to high sickness levels/agency costs. The service is also expected to cover costs of £0.060m related to the State Funeral and Proclamation Events. The overall overspend is partially offset by additional income achieved through in-house construction work.	
Highways Network	8.096	8.574	0.478		0.492	Highways is incurring a pressure of £0.400m in Fleet services as a result of increased fuel costs. An additional £0.050m is due to an increase in contractor costs for weed spraying following a recommendation from Scrutiny Committee, which cannot be covered by existing budgets.	
Transportation	10.031	10.481	0.450		0.456	Local bus subsidy is incurring additional overspend of £0.100m due to the Park and Ride Service and Service 5 re-procurement. School Transport is incurring a pressure of £0.090m, due to a shortfall in budget for 3 school days related to Easter timelines in this financial year. Since Month 5, there has been an additional pressure of £0.200m in School Transport due to 6 additional routes (PRUs/ALN) in total equating to £2,700 extra per day. School transport is also facing an additional revenue pressure of £0.030m from Month 7 due to capacity issues on a commercial bus service. There may be further cost increases up to the end of the financial year end due to rising transport operator costs (fuel, driver wages, insurance, energy etc.).	
Regulatory Services	12.527	12.455	-0.072		-0.085	The Service is incurring £0.060m revenue pressure due to increased residual waste tonnages, which is creating a risk in achieving WG Recycling Targets. The overspend is largely offset by an underspend of £0.053m due to vacancies within the service, increased rebate rates for the sale of electricity, recycling income and car parking income, which has increased income by £0.064m, including other minor variances with a reduction in recycling disposal costs of £0.030m.	
Other Minor Variances	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	39.931	41.060	1.129	0.000	1.136		
Planning, Environment & Economy							
Community	0.979	1.040	0.061		0.077	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.180	-0.493	-0.673		-0.693	Favourable variance based on projected over recovery of Fee Income which includes the receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.522	1.652	0.130		0.154	Adverse variance relates to the projected costs of Ash Die Back to March, 2023, together with historic grant income target not realised	
Regeneration	0.841	0.753	-0.089		-0.069	Revised projection in Markets Fee Income over recovery, minor variances across the Service	
Management & Strategy	1.445	1.497	0.052		0.069	The new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.	
Minor Variances	2.269	2.281	0.012		0.015		
Total Planning & Environment	7.238	6.730	-0.508	0.000	-0.446		
People & Resources							
HR & OD	2.412	2.436	0.024		-0.002		
Corporate Finance	2.257	2.126	-0.131		-0.075	Variance includes the receipt of a 50% Welsh Government Admin Grant for administering the Free School Meals Programme together with staff savings from vacant posts	
Total People & Resources	4.670	4.562	-0.107	0.000	-0.077		

Budget Monitoring Report - Month 10

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Governance							
Legal Services	0.934	1.030	0.097		0.074	Additional costs for locum services covering vacant posts	
Democratic Services	2.468	2.384	-0.084		-0.076	Variance as a result of the Members Allowances new rate not being implemented until May, 2022 and lower than anticipated take up of both Broadband and Pension Allowances (£0.108m) ; mitigated by the inception of the new Climate Change Committee Chair person Allowance plus minor variances across the service	
Internal Audit	1.050	0.964	-0.086		-0.063	Vacancy savings together with revised/reduced projected cost for Postage within Central Despatch	
ICT	5.095	5.009	-0.086		-0.064	Vacancy Savings	
Revenues	0.295	-0.079	-0.374		-0.351	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.320m) based on current information; minor variance across the service	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.001		
Minor Variances	1.439	1.418	-0.022		-0.182		
Total Governance	11.281	10.727	-0.555	0.001	-0.663		
Strategic Programmes							
ADM's & CAT's	6.069	6.130	0.061		0.074	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.011m minor variances.	
Minor Variances	0.047	0.047	-0.000		-0.000		
Total Strategic Programmes	6.116	6.177	0.061	0.000	0.074		
Assets							
Caretaking & Security	0.314	0.259	-0.055		-0.080	Savings on staffing due to vacancies	
Industrial Units	-1.527	-1.591	-0.064		-0.058	Reduced costs of Repair and Maintenance plus some additional rent income	
Minor Variances	2.247	2.295	0.047		0.042	Cumulative minor movemens across the portfolio	
Total Assets	1.034	0.963	-0.071	0.000	-0.096		
Housing and Community							
Minor Variances	14.964	14.963	-0.002		0.006		
Total Housing and Community	14.964	14.963	-0.002	0.000	0.006		
Chief Executive's	1.692	1.584	-0.107		-0.096	Variance relates to vacant post and not all staff at top of scale	
Central & Corporate Finance	23.188	21.628	-1.560		-0.915	Over recovery of planned pension contributions recouplement against actuarial projections based on the current level of contributions together with a further revised projection on the Central Loans and investment Account (CLIA) at Month 10 where as reported earlier in the year, the Council had not taken out new short or long term borrowing and has invested a significant amount of funds. This pattern has continued during the remaining months of this financial year resulting in no short term borrowing costs being incurred and the Council and generating increased income from investments, which have increased in line with bank interest rates.	The benefit on the Central Loans & Investment Account is expected to be a temporary benefit as the Council is likely to revert to a borrowing requirement during 2023/24.
Centralised Costs	2.783	2.778	-0.005		-0.005		
Soft Loan Mitigation	0.000	0.065	0.065		0.060	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate. Capital financing regulations require that soft loan accounting doesn't impact on Council Tax levels.	
Grand Total	326.682	325.989	-0.693	-0.020	0.117		

2022/23 Efficiencies Outturn Tracker - Month 10

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed
		2022/23 £m	2022/23 £m	2022/23 £m		
Portfolio						
Corporate						
Increase in Reserves	Rachel Parry Jones	0.471	0.471	0.000	C	G
Utility Inflation	Rachael Corbelli	0.085	0.085	0.000	C	G
Efficiency from Restructure	Corporate Policy Rachel Parry Jones	0.025	0.025	0.000	C	G
Recharge to HRA	Chief Executive post to HRA 50% Rachel Parry Jones	0.027	0.027	0.000	C	G
Total Corporate Services		0.608	0.608	0.000		
Housing & Assets						
Connahs Quay Power Station	Neal Cockerton	0.290	0.290	0.000	C	G
Rent Newydd	Neal Cockerton	0.020	0.020	0.000	C	G
Total Housing & Assets		0.310	0.310	0.000		
Social Services						
Sleep in Pressure not Required	Neil Ayling	0.123	0.123	0.000	C	G
Total Social Services		0.123	0.123	0.000		
Governance						
Single Person Discount Review (One Off)	Gareth Owens	0.300	0.300	0.000	O	G
Total Governance		0.300	0.300	0.000		
Total 2022/23 Budget Efficiencies		1.341	1.341	0.000		

	%	£
Total 2022/23 Budget Efficiencies	100	1.341
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	100	1.341
Total 2022/23 Budget Efficiencies (Less Previously agreed Decisions)		
Total Projected 2022/23 Budget Efficiencies Underachieved	100	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	0	0.000

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m	
Income Target Efficiency remaining from Previous Years	All Portfolios	0.041
Fees and charges increase 1st October, 2022	Full Year effect 1st April 2023	(0.026)
Total Income Efficiency Remaining		0.015

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2022	18.438	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		12.669
Less - COVID-19 Emergency Funding Allocation		5.316
Less - Childrens Services Social Work Costs (approved 21/22)		0.157
Less - Children's Services front door service - agency workers (approved by Cabinet on 28th June)		0.300
Add - Total Balances Released to Reserves (Month 5)		1.208
Add - Additional Revenue Support (Month 8)		2.432
Less - impact of the final pay awards		3.955
Less - Children's Services Legal Costs (Month 9)		0.250
Less - Month 10 projected outturn		(0.693)
Total Contingency Reserve available for use		7.024

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(37.755)	(37.228)	0.526	0.593	Currently projecting a variance of £0.526m due to loss of rental income in relation to void properties. Of this, £0.395m relates to void properties, £0.096m relates to utilities costs on void properties and £0.049m relates to void garages. Additional income in respect of new properties transferred into the stock during the year (£0.045m). Pressure relating to the draw down of grant in respect of delayed SHARP schemes £0.158m. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of (£0.150m). The remaining £0.023m relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723				
Estate Management	2.263	1.998	(0.266)	(0.253)	Additional cost of agency positions of £0.180m, which is offset by vacancy savings of (£0.240m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.086m).	
Landlord Service Costs	1.265	1.348	0.083	0.084	Salary savings of (£0.054m) are currently being projected within the service which offset agency costs of £0.023m. There is a forecasted pressure on utilities costs of £0.079m. The remaining variance of £0.035m is down to other minor movements.	
Repairs & Maintenance	10.908	10.968	0.060	0.065	Additional net cost of £0.066m in relation to vacant trades positions currently being covered by agency. Admin Vacancy savings of (£0.034m) due to delayed recruitment. Savings on the cost of materials of (£0.102m). Additional cost of fleet forecasted to be £0.154m. Other minor variances of (£0.024m).	
Management & Support Services	2.716	2.557	(0.159)	(0.139)	Savings of (£0.067m) have been projected based on current vacancies within the service and a further (£0.171m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.019m. Pressure in relation to insurance costs currently forecasted to be £0.077m. Other minor variances of (£0.017m).	
Capital Expenditure From Revenue (CERA)	10.898	13.755	2.857	2.857		
HRA Projects	0.122	0.123	0.000	(0.000)		
Contribution To / (From) Reserves	2.858	2.858				
Total Housing Revenue Account	(0.000)	3.101	3.101	3.208		